

House File 2400 - Introduced

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BY PRICHARD

A BILL FOR

1 An Act providing an income tax credit for propane storage tanks
2 and related equipment, and including effective date and
3 retroactive applicability provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 422.11C Propane storage tank tax
2 credit.

3 1. The taxes imposed under this division, less the credits
4 allowed under section 422.12, shall be reduced by a propane
5 storage tank tax credit equal to seventy-five percent of the
6 cost of a propane storage tank and equipment directly related
7 to the storage of propane gas. A tax credit under this section
8 shall be limited to one storage tank per physical location
9 where the propane is stored for the taxpayer's own use. Any
10 credit in excess of the tax liability for the tax year shall
11 not be refunded, but may be credited to the tax liability for
12 the following ten tax years or until depleted, whichever is
13 earlier.

14 2. An individual may claim the tax credit allowed a
15 partnership, limited liability company, S corporation, estate,
16 or trust electing to have the income taxed directly to the
17 individual. The amount claimed by the individual shall be
18 based upon the pro rata share of the individual's earnings of a
19 partnership, limited liability company, S corporation, estate,
20 or trust.

21 3. The director of revenue shall adopt rules pursuant to
22 chapter 17A for the administration of this section.

23 Sec. 2. Section 422.33, Code 2014, is amended by adding the
24 following new subsection:

25 NEW SUBSECTION. 31. The taxes imposed under this division
26 shall be reduced by a propane storage tank tax credit allowed
27 under section 422.11C.

28 Sec. 3. EFFECTIVE UPON ENACTMENT. This Act, being deemed of
29 immediate importance, takes effect upon enactment.

30 Sec. 4. RETROACTIVE APPLICABILITY. This Act applies
31 retroactively to January 1, 2014, for tax years beginning on
32 or after that date.

33

EXPLANATION

34 The inclusion of this explanation does not constitute agreement with
35 the explanation's substance by the members of the general assembly.

1 This bill provides a corporate and individual income tax
2 credit for propane storage tanks and related equipment in an
3 amount equal to 75 percent of the cost of the storage tank and
4 equipment directly related to the storage of propane gas. The
5 bill provides that the credit shall be limited to one storage
6 tank per physical location where the propane is stored for the
7 claimant's own use. The bill states that any credit in excess
8 of the tax liability for the tax year shall not be refunded,
9 but may be credited to the tax liability for the following 10
10 tax years or until depleted, whichever is earlier. The bill
11 authorizes the director of revenue to adopt rules pursuant
12 to Code chapter 17A for the administration of the bill's
13 provisions.

14 The bill takes effect upon enactment, and is retroactively
15 applicable to January 1, 2014, for tax years beginning on or
16 after that date.